

City of Detroit

CITY COUNCIL

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TO: Terrence King, Director
General Services Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ly.*

DATE: April 22, 2009

RE: 2009-2010 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General
Joseph Harris, Finance Director
Pamela Scales, Budget Director
Donna McAlister, Executive Budget Manager
Arese Robinson, Mayor's Office

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General Services (47)

FY 2009-2010 Budget Analysis by the Fiscal Analysis Division

Summary

The General Services Department is a General Fund agency. The recommended 2009-2010 General Fund appropriation budget is \$60.9 million, a \$10.9 million decrease over the current year's Redbook budget. The department's capital improvement appropriation is \$-0-, a decrease of \$1.1 million from the current year's budget.

This third-year department was created to take on overhead functions common to supporting city operations. The initial activities are Facilities and Ground Maintenance, Inventory Management and Fleet Management. It was the goal in 2006-2007 that staff and contracts from major departments would be transferred to the General Services Department, potentially saving money and freeing up these departments to focus on their vital field operations.

2008-2009 Surplus/Deficit

The Budget Department has projected a \$1.21 million deficit for General Services – a surplus of \$653,939 in appropriations offset by a deficit of \$1.86 million in revenues.

Overtime

The recommended 2009-2010 overtime budget is \$2.04 million. The current year's overtime budget is \$1.37 million. \$1.7 million has been spent on overtime through March 31, 2009. \$3.02 million was spent in 2007-2008.

Personnel and Turnover Savings

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2008-09</u>	<u>Filled Positions 03/31/2009</u>	<u>Mayor's Budget Positions FY 2009-10</u>	<u>Over/(Under) Actual to 08/09 Budget</u>
General Services (47):				
470005 Administration	7	7	7	0
470007 Administrative Support Unit	3	3	3	0
470008 Property Management	0	0	0	0
11825 Administration	10	10	10	0
470009 Property Management	2	0	1	(2)
470010 Facilities Management	3	2	3	(1)
470015 Grounds Maintenance	121	92	85	(29)
470020 Building Services	75	63	36	(12)

480030 Skilled Trades	87	73	70	(14)
	Redbook	Filled	Mayor's	
	Positions	Positions	Budget	Over/(Under)
<u>Appropriation/Program</u>	<u>FY 2008-09</u>	<u>03/31/2009</u>	<u>FY 2009-10</u>	<u>08/09 Budget</u>
General Services (47):				
470035 Security	46	39	18	(7)
470037 D-DOT Security	23	15	16	(8)
11830 Facility & Grounds Maint.	357	284	229	(73)
470040 Inventory Management	7	6	8	(1)
470050 DPW Stores	2	2	2	0
470060 Fire Apparatus Stores	2	2	1	0
470070 Recreation Stores	1	1	0	0
470080 PLD Stores	1	1	0	0
470085 Health Stores	1	1	2	0
470095 Police Stores	1	2	1	1
11831 Inventory Management	15	15	14	0
470100 Fleet Management	187	152	140	(35)
470200 Non Park Forestry- Street Fund	43	41	48	(2)
470400 Freeway Berm Grass Cutting	0	0	0	0
12154 Non Park Forestry - Street Fund	43	41	48	(2)
12171 Park Development Workforce	0	0	0	0
12664 GO Bonds Park Develop Work 08	16	12	0	(4)
12700 Tree trimming & Removal - Street Fund	15	1	15	(14)
12886 GO Bonds Park Development Work	0	0	0	0
Leave of Absence	0	4	0	4
Workman's Comp	0	(3)	0	(3)
Unmatched	0	3	0	3
TOTAL	<u>643</u>	<u>516</u>	<u>456</u>	<u>(127)</u>

Below is a detailed account of the recommended position cuts by title and by fund. The chart also indicates which positions are filled and will necessitate layoffs. The department's salary and wage accounts are reduced by \$6.3 million.

<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Adds</u>	<u>Filled/Layoff</u>	<u>Vacant</u>	<u>New</u>
Facilities and Grounds Maintenance						
	Facilities Management Office Assistant III	GF	(1)	1		
	Ground Maintenance Manager II - General Services	GF	(1)	1		
	Ground Maintenance Manager I - General Services	GF	(1)			1
	Ground Maintenance Associate Forester	GF	(2)	1		1
	Ground Maintenance Assistant Forester	GF	(1)			1
	Ground Maintenance Park Maintenance Supervisor - Grade II	GF	(1)	1		
	Ground Maintenance Park Maintenance Supervisor - Grade I	GF	(1)			1
	Ground Maintenance Forestry and Landscape Foreman	GF	(2)	1		1
	Ground Maintenance Park Maintenance Helper	GF	(11)	3		8
	Ground Maintenance Senior Tree Artisan	GF	(1)			1

	Ground Maintenance Tree Artisan	GF	(6)	6	
<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Adds</u>	<u>Filled/Layoff</u>	<u>Vacant</u> <u>New</u>
	Ground Maintenance Comfort Station Attendant	GF	(2)	1	1
	Ground Maintenance Vehicle Operator I	GF	(8)	6	2
	Ground Maintenance Office Assistant II	GF	(1)	1	
	Ground Maintenance Park Maintenance Foreman	GF	1		1
	Ground Maintenance Senior Clerk	GF	1		1
	Building Services Supervising Building Attendant II	GF	(1)		1
	Building Services Senior Building Attendant	GF	(1)		1
	Building Services Building Attendant A	GF	(37)	26	11
	Skilled Trades Supt. of Plant Building & Mechanical Maint.	GF	(1)	1	
	Skilled Trades Superintendent of Building Maintenance	GF	(1)		1
	Skilled Trades Electrical Worker Foreman	GF	(1)		1
	Skilled Trades Electrical Worker Sub-Foreman	GF	(1)		1
	Skilled Trades Plumber	GF	(2)	2	
	Skilled Trades Finish Carpenter	GF	(3)	1	2
	Skilled Trades Finish Painter - Building Spray	GF	(1)		1
	Skilled Trades Finish Painter	GF	1		1
	Skilled Trades Building Control Station Operator	GF	(1)		1
	Skilled Trades Building Trades Worker - General	GF	(1)	1	
	Skilled Trades Recreation Facilities Operator	GF	(8)	3	5
	Skilled Trades Boiler Operator - Low Pressure	GF	(1)		1
	Skilled Trades Mechanical Helper	GF	(1)		1
	Skilled Trades Building Mechanic	GF	1		1
	Skilled Trades Electrical Worker Apprentice	GF	1		1
	Skilled Trades Building Maintenance Operations Supervisor	GF	1		1
	Skilled Trades Steamfitter	GF	1		1
	Security Senior Service Guard General	GF	(6)	5	1
	Security Service Guard - Public Utility	GF	(7)	3	4
	Security Service Guard General	GF	(12)	8	4
	Security Senior Museum Guard	GF	(1)	1	
	Security Senior Property Guard	GF	(1)	1	
	Security Property Guard	GF	(1)		1
	DDOT Security Service Guard General	GF	(7)		7
Inventory Management					
	Inventory Management Manager II - General Services	GF	1		1
	Fire Apparatus Stores Senior Clerk	GF	(1)	1	
	Recreation Stores Clerk	GF	(1)	1	
	PLD Stores Senior Storekeeper	GF	(1)	1	
	Health Stores Assistant Market Master	GF	1		1
Fleet Management					
	Fleet Management Sr. Auto Repair Foreman	GF	(2)	2	
	Fleet Management General Machinist	GF	(2)	1	1
	Fleet Management Auto Repair Foreman	GF	(1)		1
	Fleet Management Auto Mechanic	GF	(12)		12
	Fleet Management General Auto Body Mechanic	GF	(1)		1
	Fleet Management General Auto Mechanic	GF	(22)	6	16
	Fleet Management Auto Repair Sub-Foreman	GF	(2)	1	1
	Fleet Management Building Mechanic	GF	(1)	1	
	Fleet Management Automotive Service Attendant	GF	(2)		2
	Fleet Management Repair Mechanic	GF	(1)		1
	Fleet Management Vehicle Operator I	GF	(1)	1	
Non-Park Forestry - Street Fund					

Non-Park Forestry - Street Fund Associate Forester		SF	1	1	
<u>Appropriation/Cost Center</u>	<u>Title</u>	<u>Fund</u>	<u>Deletions/Adds</u>	<u>Filled/Layoff</u>	<u>Vacant</u> <u>New</u>
	Forestry and Landscape Foreman	SF	(1)		1
	Senior Tree Artisan	SF	(1)		1
	Tree Artisan	SF	4		4
	Assistant Forester	SF	2		2
GO Bonds Park Development Workforce	Construction Equipment Operator	GO	(6)	5	1
	Park Development Supervisor	GO	(1)		1
	Park Maintenance Foreman	GO	(1)	1	
	Park Development Sub-Foreman	GO	(1)	1	
	Park Development Coordinator	GO	(1)	1	
	Park Maintenance Helper	GO	(3)	2	1
	Vehicle Operator III	GO	(1)	1	
	Tree Artisan	GO	(1)		1
	Storekeeper	GO	(1)	0	1
				0	0
Total			(187)	94	109 16

Significant Changes in Funding

Salary and wage appropriations decrease by \$6.3 million, with benefits decreasing by \$2.2 million –

Contractual Services decrease by \$1.8 million, \$500,000 for contractual security and \$1.3 million for miscellaneous services.

Operating Services have some large swings in various accounts with a net decrease of \$580,000.

General Services (47)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2008-09 Budget</u>	<u>FY 2009-10 Recommended</u>	<u>Increase (Decrease)</u>
Administration	\$ -	\$ -	\$ -
Facilities & Grounds Maintenance	9,997,491	\$ 7,776,751	\$ (2,220,740)
Inventory Management	2,533,683	2,887,683	\$ 354,000
Fleet Management	50,000	50,000	
Capital Improvements	-	-	\$ -
Non-Park Forestry-Street Fund	-	-	\$ -
Total	\$ 12,531,174	10,664,434	\$ (1,866,740)

Issues and Questions

1. Please explain the department's narrative for the current year and the future that says, "Find other ways to use outside funding to replace, repair

or maintain city buildings, parks or properties". How can a department like GSD be anything other than a core service, general fund operation?

2. Other cities that use the General Services model have included other functions such as ITS and the Detroit Building Authority's services. Are there plans to add additional centralized functions to GSD?
3. Now that the third year is almost complete, have the three existing functions been completely consolidated? What is a good example of the difficulty in consolidation? What is a good example of the benefits of consolidating these functions?
4. What sorts of savings have been realized when negotiating contract renewals for janitorial services and security services?
5. How much of the bond appropriations for workforce budgeted for 2008 and 2009 have been spent? Now that the bonds will not be sold, how will those costs be covered?
6. It seems counterintuitive to layoff mechanics the same year that the vehicle replacement program will not be funded. How will additional repairs be handled?
7. What has the NAPA contract for just-in-time parts done to improve repair times for the Fleet Maintenance Division?
8. Which buildings will no longer be cleaned due to 26 Building Attendants being laid off?
9. How can sufficient security exist when both 18 guards (33%) are laid off and the contractual security is reduced by \$500,000?
10. Please itemize the contracts being cut in the miscellaneous contractual account by \$1.3 million
11. What is happening with all the leased vacant space in Cadillac Tower now that Recreation has moved to Northwest Activities Center? Please provide an updated master list of all existing leases throughout the city, along with expiration dates and if it is currently being used and by which department?
12. Regarding the projected revenue deficit – the revenue deficit for 2008 was projected at \$500,000 while the deficit for 2009 is projected at \$1.86 million. Why are revenues coming in so much lower? Does that represent the \$1.1 million budgeted from general obligation bond interest earnings?